



The Deputy Secretary of Energy

Washington, DC 20585

October 16, 1997

MEMORANDUM TO THE SECRETARY

FROM

Elizabeth Moler *EM*
Deputy Secretary

SUBJECT : Placement of the Chief Information Officer Within the Department

Issue: The Department's Chief Information Officer (CIO) currently reports directly to the Assistant Secretary for Human Resources and Administration. He should report directly to the Secretary, or Deputy Secretary, in order to comply with the requirements of the "Clinger-Cohen Act," formerly known as the Information Technology Management Reform Act of 1996 (ITMRA). You recently acknowledged the need to enhance the status of the CIO when we met with the SEAB. Changing his reporting status, and enhancing an existing Information Management Committee, will do so.

Background: President Clinton signed the Clinger-Cohen Act (formerly referred to as ITMRA) into law on February 10, 1996. It formally establishes the position of CIO and states that the role of CIO is to provide "advice and assistance to the head of the agency and other senior management personnel to ensure that information technology is acquired and information resources are managed in a manner that implements the policies and procedures of the Paperwork Reduction Reauthorization Act of 1995 and the ITMRA of 1996, and the priorities established by the head of the agency." OMB guidance makes it clear that one of the most important responsibilities of the CIO is to promote effective agency operations by implementing budget-linked capital planning and performance based management of IT systems.

Each agency head was expected to select and position a chief information officer (CIO) to ensure the effective acquisition and use of information technology (IT) and to carry out the agency's information resources management responsibilities. It stated that while the organizational placement of the CIO is to be determined by the agency head, the person selected should report to the agency head directly, and not through another official. The CIO for the Department of Energy (DOE) reports directly to the Assistant Secretary for Human Resources and Administration.


As required, then-Secretary of Energy Hazel R. O'Leary submitted the name of Mr. S. W. (Woody) Hall, Jr., as CIO of DOE on August 9, 1996. Mr. Hall had actually been named CIO in November 1995. The package submitted to OMB showed the organizational placement of the CIO under the Assistant Secretary for Human Resources and Administration. It also formalized

an Executive Committee for Information Management, with Mr. Hall as the Executive Secretary, to report directly to the Secretary. This Committee, chaired by the Deputy Secretary and comprised most of the senior officials in the Department, was chartered to "champion efforts to improve information management and leverage the information resources." It encompassed many of the responsibilities required of the CIO by ITMRA. As Executive Secretary of the Committee, the CIO was "non-voting."

On September 13, 1996, John Koskinen, the Deputy Director for OMB responded to Secretary O'Leary's August 9 memo, providing formal comments on the DOE structure. In that letter he raised specific concerns about the placement of Mr. Hall in the organization as well as his responsibilities on the Executive Committee. Among other things, he asked the Department to evaluate the effectiveness of this organization structure in a year and to report its evaluation back to OMB.

On July 2, 1997, Mr. Koskinen met with me to discuss, among other things, concerns about the effectiveness of the CIO function at the Department. As a result of OMB's recently completed annual spring assessment of the Department's CIO and Information Technology planning function, he again, raised specific concerns with the placement of the CIO as well as his non-voting status on the Executive Committee. Specifically, while he commended Mr. Hall, he stated that the fact that he did not report directly to the Chief Operating Officer significantly reduced his ability to impact the management of the IT function at the Department. Further, as a non-voting member of the Executive Committee he has very little clout in decisions affecting the effective management of the agency IT resources.

Recommendation: The position of Chief Information Officer at the Department of Energy should report to the Deputy Secretary as the Chief Operating Officer. Further, the Executive Committee for Information Management should be reestablished with the CIO as a full, voting member. Only in raising the function to this level will we have clear accountability for agency information resources management activities and ensure that the position will be able to carry out the mandate of the Clinger-Cohen Act. OMB supports the change.

Approve 

Disapprove _____

Date 10/16/97